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OF THE

98TH CONGRESS

PRINTED AT THE DIRECTION OF

HON. BOB PACKWOOD, *Chairman*

FOR THE USE OF THE

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UNITED STATES SENATE

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LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, D.C., February 1, 1983.

DEAR COLLEAGUE: To accompany the funding resolution adopted by the Committee on Commerce, Science, and Transportation for the first session of the 98th Congress, I have requested the Committee staff to prepare this projection of our goals for the first session.

The Committee will continue its comprehensive review of national policies and priorities in the many and varied activites within our broad jurisdiction. Efforts to identify and stimulate key economic and social factors will be initiated. Thorough oversight of governmental programs for which we are responsible will be maintained to ensure that they are adequate, responsive, and contribute to the national well being.

I look forward with great enthusiasm, to working with my colleagues in achieving the exciting objectives presented in this report.

Cordially,

BOB PACKWOOD, *Chairman.*

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COMMERCE, SCIENCE, AND TRANSPORTATION

Fair Practices in Insurance

In the last Congress the Committee considered and favorably reported S. 2204, the Fair Practices in Insurance Act. The Committee intends to consider and report similar legislation in the 98th Congress. The purpose of the legislation is to prohibit discrimination against individuals purchasing insurance and annuities on the basis of race, color, religion, sex, or national origin with respect to access, availability of coverage, terms, conditions, rates, benefits, and requirements and in the methods of determining them.

Women and men are discriminated against in the rating and benefits of insurance. Fundamental civil rights policy in the United States is that no individual shall be treated differently because of his or her membership in a racial, sexual, religious, or ethnic group. This policy has been applied under Federal laws or by the courts to employment, credit, housing, public accommodations, transportation, recreation, voting, and athletics. The time has come to extend this policy to the business of insurance.

Freedom of Expression

The electronic media (including radio, television, and cable) do not enjoy the same first amendment protections as the print media. The Federal Government regulates the electronic media, using a system which clearly would be found unconstitutional if it were applied to the print media.

These regulations originally were imposed by Congress, and approved by the courts, on the premise that the broadcast media used a scarce, public resource—the airwaves. Government regulations, however, have expanded to cover new services, that is, cable, which do not use the airwaves. Furthermore, Government regulations may also be extended to reach the print media, as these services begin to be delivered electronically.

The Committee will examine the issues surrounding an amendment to the Constitution to extend to the electronic media the same protections that the print media now enjoys.

AVIATION

Civil Aeronautics Board Sunset

With less than 2 years to go before the scheduled sunset of the Civil Aeronautics Board (CAB), resolution of the remaining deregulation issues will be the focus of the Committee's agenda. Due to the current financial situation of several major airlines, the Committee will proceed cautiously with this review. The Committee will begin hearings on CAB sunset with a general oversight hearing early in the year. During this hearing, the perception of some deregulation critics that the more isolated regions subsidize very low fares in major metropolitan markets will be examined. This hearing will also provide a forum for other groups to testify regarding their continued support of deregulation.

Following this general hearing the Committee will examine in a series of separate hearings several important issues which must be resolved prior to sunset.

Some of the more critical issues include:

—assuring that Federal preemption of economic regulation is maintained;

—eliminating special antitrust treatment for the airline industry;

—transferring the domestic mail rate authority to the U.S. Postal Service to be exercised through negotiation and competitive bidding;

—determining where the responsibility of awarding operating rights for international routes and the authority to review the rates and fares charged in these markets should be. The Airline Deregulation Act of 1978, which abolishes the CAB on January 1, 1985, transfers this function to the Department of Transportation (DOT). The Committee, however, strongly believes this transfer should be reexamined. Over the years, the presence of a multimember bipartisan agency has tended to minimize political influence in the resolution of international issues. The Committee believes that this authority should go to an organizational structure that is insulated, to the extent feasible, from direct political influence; and

—determining whether the small community service program is meeting the intent of Conggress. While the "essential air service program," which guarantees continued air service to small communities until 1988, appears to be successful, concerns have been expressed regarding the CAB's administration of the program, and particularly whether or not subsidy payments are adequate and timely. This question has become even more important due to the fact that commuters, generally responsible for essential air service, have suffered sharp passenger drop-offs as a result of the air traffic controller strike and the recession. The Committee re-

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mains convinced that the essential air service program must function to ensure that small communities will have adequate access to the national air transportation system. The Committee will continue to work to see that the goal of a strong and efficient essential air service program is maintained.

Air Traffic Control System

The Committee remains aware of the problems brought about by the illegal strike of members of the Professional Air Traffic Controllers Organization (PATCO). While most of the members of the Committee strongly supported the actions of the President, DOT, and the Federal Aviation Administration (FAA), the Committee wants to ensure that the FAA is taking all necessary steps to improve management-employee relations in order to guarantee that the system is functioning at its fullest and safest capacity as quickly as possible. The Committee will monitor the FAA to find out what steps are being taken to correct any problems. Hearings may be held if necessary.

National Air Space Program

When the Committee approved the ADAP authorization for 5 years, there were many aspects of the National Air Space Program (NASP) that were formulated only as goals or concepts. Concerns were expressed by some user groups that the FAA would proceed on a course that would not necessarily benefit the public, but could not be reversed two or three years into the program. Yearly oversight will help ensure that the FAA implements the NASP in a way that best serves the public.

Department of Labor

The Department of Labor will send its final regulations implementing the right of first hire provisions required by the Airline Deregulation Act of 1978 to the Congress early in the year. The Committee will review the merits of these implementing regulations to ascertain the response of labor and management.

Regulation by Objective

The FAA is considering revising its current safety standards for aircraft maintenance procedures, crew times, etc., with a system called Regulation by Objective. For 40 years, the FAA has imposed specific standards (in the form of rules) for the maintenance and operation of aircraft providing commercial air transportation. The agency recently has proposed, on its own, a major revision to these rules. The proposal, if adopted, extracts from the current rules the "safety objective," which will be returned as a rule. The current specific "how to" requirements will become acceptable methods for meeting the objectives. The purpose of the proposed rule is to allow greater management flexibility to establish new, more efficient, and perhaps less costly ways to meet the safety criteria. While the scheme may be desirable in concept, the new approach could place substantial new pressures on FAA personnel to review and approve various new methods of operation. The two central issues to be considered are:

—is the development of individualized maintenance and operational procedures a logical way to enhance safety; and
—if such an approach is desirable in the abstract, can the agency implement the program in a way which ensures safe operations without imposing excessive administrative costs.

The Committee will hold hearings following submission of comments on the FAA's proposed rule to examine the effectiveness of the proposal. The members of this Committee will not in anyway compromise in guaranteeing the highest level of safety in the industry.

National Transportation Safety Board (NTSB)

The authorization for the NTSB expires at the end of fiscal year 1983. Hearings will be held to examine the NTSB operations and functions. The Committee believes the NTSB serves an essential public service. As a result, the Committee will provide a multiyear reauthorization for the Board.

BUSINESS, TRADE, AND TOURISM

Travel and Tourism

The Committee achieved its primary goal for travel and tourism in the 97th Congress with the enactment of the National Tourism Policy Act. This legislation outlined the conduct of the Federal Government's involvement in international tourism promotion. The act also increased the status of tourism within the Federal establishment through the creation of an Under Secretary of Commerce for Travel and Tourism.

In addition, the act seeks better coordination between the many Government agencies whose roles affect the health of the travel and tourism industry. The problem of inadequate coordination is attacked through the creation of a Cabinet level Tourism Policy Council which reviews the potential effects of Federal actions on the tourism industry.

For the 98th Congress, the Committee plans to continue its oversight of the Federal role in tourism. Specifically, this means the Committee will be monitoring the implementation of the National Tourism Policy Act and assisting the Under Secretary for Travel and Tourism with his efforts to make the U.S. Travel and Tourism Administration an aggressive promoter of travel to the United States.

The Committee wants to promote greater congressional and administration support for the Travel and Tourism Administration. A higher priority should be given to the duties of the Agency within the Department of Commerce. In keeping with the National Tourism Policy Act, the Committee will work to insure that sufficient Federal funding is provided to enable the Travel and Tourism Administration to vigorously carry out its duties.

In keeping with the Committee's goal for an aggressive U.S. travel and tourism industry, the Committee also plans to encourage appropriate Governmental support of the 1984 World's Fair and the 1984 Olympics. The Committee will maintain oversight of Commerce Department responsibilities for these events—sponsorship, technical assistance, and financial backing—to insure that both are successful.

Business, International Trade, and Investment

The Committee is concerned with the size of the U.S. trade deficit and its effect on the U.S. economy. The United States has a large continuing deficit in the international exchange of manufactured goods. Potential U.S. expansion of U.S. exports of manufactured products and services has been estimated at several hundred million dollars if the Government provides assistance (mostly technical; some financial) to small and minority businesses.

The Committee plans oversight hearings to encourage the International Trade Administration (ITA) and the Small Business Admin-

istration to expand their small business assistance programs. ITA currently has a responsibility to promote increased U.S. exports and to try to eliminate trade barriers overseas which inhibit these exports. The Committee also plans to assist the Commerce Department's Minority Business Development Agency in securing adequate funding to initiate export promotion assistance services.

The Committee plans to pursue uncompleted tasks from the 97th Congress. Along this line, the Committee plans to revive S. 1233, the Service Industries Development Act. This bill would establish a Service Industries Development Program within the Commerce Department. The purpose of this program would be to provide a Federal promotional effort and other support which would enhance the competitive position of U.S. service industries (such as communications, aviation. shipping, tourism, advertising, banking, insurance, and data processing).

The service sector now comprises two thirds of all economic activity in the United States. The United States currently enjoys a large trade surplus in this sector, but this advantage will be in jeopardy as the economic sophistication of newly industrializing nations increases. Considering the size of this economic sector, the Federal Government should be assisting with efforts to expand the area and improve its competitiveness overseas. If this is not done, we can expect to see our current trade surplus shrink as the service sectors of other economies develop.

In addition to this legislation, the Committee also will hold hearings to encourage the ITA and the U.S. Trade Representative to promote more aggressively U.S. service exports and eliminate foreign barriers to service trade. The Committee is concerned that the manufacturing sector not be neglected while pushing for expansion of our trade in services. Many of our basic industries—steel, automotive, agricultural—are facing severe difficulties. It is important that government work with business to improve our competitive position.

COMMUNICATIONS

Legislative Priorities

The Congress should continue to carry out its commitment to provide guidance to the Federal Communications Commission (FCC) and the courts on national telecommunications policy. Existing regulatory policy must be replaced by a scheme that allows competition wherever possible, because it is the best means of economic regulation; encourages innovation; and promotes the goal of providing maximum consumer choice. New Congressional policy guidance will revamp a legal and regulatory framework of the nearly 50-year-old Communications Act of 1934. The Committee has monitored actions of the courts and the FCC to promote competition and to provide some deregulation in the telecommunications industry. The courts and the FCC have taken significant strides, generally, in the right direction. However, many of the judicial and regulatory decisions have been subject to appellate review and are made in the context of an outmoded statute. It is Congress' task to establish a national telecommunications policy to guide the courts and the FCC. The Committee made significant progress in the 97th Congress, and expects to maintain the momentum and drive for new legislation during the 98th Congress.

BROADCAST DEREGULATION

With over 9,000 radio stations, competition will ensure better service to the consumer than government regulation. The FCC has deregulated radio, but the decision is under judicial review. The only permanent solution, therefore, is statutory deregulation.

There are fewer television stations, and, therefore, television cannot be deregulated to the same extent as radio. The procedure for renewing television licenses, however, should be changed to recognize the effect of increasing competition from other sources of video programming. Thus, the Committee will consider S. 55 a bill (similar to S. 1629, passed by the Senate in the 97th Congress) to amend the Communications Act of 1934, to decrease regulation of television and radio broadcasting.

DOMESTIC COMMON CARRIER

While a recently adopted consent decree between AT&T and the Department of Justice settled the basic structural issues regarding the Bell System, the Congress should address certain issues that were not within the purview of the decree. Economic and social policy issues are appropriately addressed by the Congress. Legislation should include the following: protection against unreasonable increases in telephone rates; preservation of a sound communications system for national defense and emergency preparedness; Federal jurisdiction over intrastate long distance (or toll) services; and the reduction of

FCC regulation to the absolute minimum necessary to prevent anti-competitive abuses.

After a reasonable indication that the House will pass a similar bill to amend the Communications Act to address those areas of domestic telecommunications policy that were not affected by the AT&T/Justice Department Consent Decree, the Committee will consider domestic common carrier legislation.

INTERNATIONAL TELECOMMUNICATIONS COMPETITION AND U.S. POLICYMAKING

Carriers providing international telecommunications services have been subjected to a changing regulatory environment as a result of FCC and court decisions. Congress should establish new policy for international services. Additionally, U.S. policymaking efforts in telecommunications are divided among various agencies in the executive branch and the FCC. The result is a lack of coordinated activity leading to an absence of consistent and effective policy which unnecessarily increases the cost of new services to the consumer.

The Committee will act on a bill (similar to S. 2469, which was reported by the Committee in the 97th Congress) designed to promote competition and eliminate regulatory barriers to the provision of international telecommunications services. The Committee will also review the structure of executive branch policymaking in international telecommunications and the relation of that structure to the FCC.

CABLE TELEVISION REGULATION

The cable industry has been significantly deregulated by the FCC and the courts. However, States and local governments continue to substantially regulate cable. The questions of who is to have jurisdiction over cable and whether it should be regulated are unsettled. Other issues, such as rate regulation, franchise fees, and municipal ownership of cable systems, also need to be addressed in legislation.

The Committee will consider S. 66, a bill introduced by Senator Goldwater (similar to S. 2172, which it reported in the 97th Congress) to decrease regulation of cable.

FCC AUTHORIZATION

The existing FCC authorization expires in fiscal year 1983. To ensure continued operations, it must be reauthorized for fiscal year 1984. This will provide an opportunity to conduct oversight of FCC activities over the past 2 years. Furthermore, it will ensure the orderly implementation of telecommunications policy as established by Congress.

CONSUMER

Introduction

The last decade and a half has seen the enactment of many far-reaching proposals to provide consumers with increased protection in such areas as product safety, poison prevention packaging, warranties, and unfair or deceptive business practices.

In an effort to ensure that these programs are achieving the goals set out for them by the Congress, the Committee will continue its oversight of agencies having responsibility for administering these programs and make appropriate recommendations to ensure their effective operation. In doing so, the Committee will continue to focus on regulatory reform within the agencies under its jurisdiction to eliminate overlapping, duplicative, and ineffective regulations which often lead to higher costs for consumers and businesses.

The Committee will also continue its legislative activities in the area of product liability tort reform.

Federal Trade Commission

The Federal Trade Commission (FTC) is empowered to prevent "unfair methods of competition" and "unfair or deceptive acts or practices." The FTC Improvements Act of 1980 required, among other things, that the FTC undertake significant changes in its procedures for conducting investigations and rulemakings. During the 97th Congress, the Committee monitored the agency's compliance with the Improvements Act and undertook a broader review of FTC activities in connection with the agency's reauthorization. However, while legislation to reauthorize the FTC for fiscal years 1983, 1984, and 1985 (S. 2499) was reported by the Senate Commerce Committee on May 11, 1982, it was not considered by the full Senate, and authorization for the FTC expired at the end of fiscal year 1982.

The Committee expects to consider and report FTC authorization legislation in the first session of the 98th Congress. Areas of focus will include the agency's jurisdiction over State-licensed professionals, "unfairness" authority, preemption of State law, regulation of commercial advertising, antitrust policy, and the provision added by the Improvements Act for Congressional review of FTC rules.

The Committee expects that one major FTC rule, the rule governing funeral industry practices, will be submitted to Congress at the beginning of the 98th Congress under the congressional review provision. The Committee anticipates that other rules may be submitted during this session as well. Consideration of FTC rules by the Committee will be thorough, and any necessary Committee action will be conducted in a timely fashion.

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Consumer Product Safety Commission

In 1972, Congress created the Consumer Product Safety Commission (CPSC) in an attempt to reduce consumer product related injuries and deaths in the United States. Since that time there has been concern that the agency has not been effective in carrying out its statutory mandate. The Committee conducted extensive hearings at the time of the last CPSC reauthorization and made several changes in the agency's statutory scheme (Public Law 97–37).

The Committee must reauthorize the CPSC in 1983. In connection with that reauthorization, the Committee intends to examine carefully implementation of the amendments in the 1981 reauthorization to determine whether they have resulted in the more effective operation of the agency. The Committee will consider recommending further statutory changes, if necessary.

PRODUCT LIABILITY ACT

For the past 5 years the Committee has been in the forefront of legislative activities in the product liability area. This effort began in 1977 with the introduction of the first comprehensive legislation to address both the insurance and tort reform aspects of the problem. This was followed by enactment of the "Product Liability Risk Retention Act of 1981" in the first session of the 97th Congress. During the second session of the same Congress, the Senate Commerce Committee reported S. 2631, the "Product Liability Act" on October 1, 1982. The Committee expects that the sponsors of S. 2631 will reintroduce the Product Liability Act promptly and that the Committee will consider this legislation again early in this session.

CIGARETTE LABELING AND ADVERTISING

Since 1964, when the first Surgeon General's report on smoking and health was issued, additional scientific evidence has become available relating cigarette smoking with lung cancer, heart disease, emphysema, miscarriages, and cancers of the larynx, oral cavity, esophagus, bladder, and kidney. However, the health warning now required for cigarette labels and advertisements has not changed since 1970. A recent study by the staff of the FTC questioned the effectiveness of the current warning label. The Committee expects to review this issue during the upcoming year.

MANDATORY DEPOSITS ON BEVERAGE CONTAINERS

Legislation requiring a minimum 5-cent deposit on specified beverage containers will be considered by the Committee. The purpose of the legislation is to create an incentive for consumers to return empty beverage containers for a deposit refund in order to: (1) reduce litter, (2) reduce solid waste, (3) conserve energy and raw materials (bauxite and iron ore), and (4) promote safety.

The Committee has held numerous hearings on the issue in the past and has reviewed numerous Government and industry reports on the effects national legislation would have on litter and solid waste control, consumer costs, and conservation of energy and raw materials.

MERCHANT MARINE

Introduction

The Committee exercises authorization and oversight responsibility over the three Federal agencies guiding U.S. domestic and international maritime policy. The Federal role in this area has long been established, having first been set forth in article I, section 8 and article III, section 2 of the United States Constitution.

The Maritime Administration (MarAd) (within the DOT) seeks to promote the U.S.-flag merchant marine, U.S. shipbuilding capacity, and U.S. ports. The Federal Maritime Commission (FMC) is an independent agency which regulates domestic and international maritime transportation. The Coast Guard (within the DOT) supervises recreational and commercial waterborne safety and law enforcement.

Maritime Administration

The primary purpose of the MarAd and its programs is to ensure a strong U.S. merchant marine by promoting U.S.-flag shipping and the domestic shipbuilding industry in times of peace, and to ensure the defense readiness of both in the event of war or other national emergency.

Over the past few years, numerous changes have significantly affected our merchant marine. These include the reconsideration of traditional subsidy programs, the reemergence of a U.S.-flag cruise fleet, the temporary opportunity to build vessels at world market prices, unilateral assertion of cargo reservation by various trading partners and the subsequent rejection of those efforts by the U.S. Government; diversion of cargo from U.S. Atlantic ports to Canadian ports; and the spectre of a worldwide cargo reservation scheme pursuant to United Nations treaty. These and other issues will be addressed during the 98th Congress by the Merchant Marine Subcommittee.

Today, the maritime industry, including our ports, ocean shipping companies, and shipbuilding yards, provides jobs to approximately 1.5 million Americans and contributes $22 billion to our economy. Despite the industry's national and international importance, both economic and for purposes of national defense, the maritime industry finds itself in a tenuous state. The merchant marine depends upon, and can be dramatically affected by Federal programs.

In both the bulk and liner trades, the U.S. merchant marine is not what it has been, or what it could be. The U.S. dry bulk fleet today numbers only 17 vessels and carries less than 2 percent of our dry bulk trade. The United States is, therefore, almost totally dependent upon foreign-flag ships to carry bulk cargo essential to both U.S. import and export trades. In spite of the present downturn in the world economy, the United States remains poised to become a major worldwide

supplier of coal. Yet, we do not have sufficient vessels available at competitive rates to carry our coal to foreign markets. From the standpoint of national defense, the potential consequences of our inadequacy are especially serious. The United States itself is self-sufficient in only 3 of 71 strategic minerals essential to national defense. Without the program of preference for government-impelled cargoes and the Jones Act, it is unlikely that there would be any U.S.-flag dry bulk vessels.

A similar conclusion can be reached in the case of U.S.-flag liquid bulk vessels, which are currently engaged in carrying oil from Alaska for U.S. consumption, as well as in filling the Strategic Petroleum Reserve. In the liner trades, the U.S.-flag share of cargo carried is approximately 27 percent. While this is respectable, particularly in comparison with our bulk fleet, it is still a significantly smaller share than has been carried by U.S.-flag liner ships in past years.

AUTHORIZATION

The Committee is charged with annually overseeing and authorizing the various maritime programs administered by the MarAd. During the first session of the 98th Congress, the Committee will consider the fiscal year 1984 programs authorization. Essential elements of the MarAd program include:

Operating-Differential Subsidy (ODS)

The Secretary of Transportation is authorized to pay ODS to U.S. shipping companies in order to achieve cost parity in seamen's wages, vessel insurance, and maintenance and repairs not covered by insurance. ODS is intended to ensure that American shippers will have regular and frequent services between U.S. and overseas markets at reasonable and competitive freight rates.

In order to receive ODS, companies must assume rigid long term contract obligations and operate under strict operating limitations as to trade routes and services. Financial obligations are also involved. Companies must place a part of their earnings in capital reserves for use in vessel replacement.

During the past 12 months, at least two major liner companies have expressed an intention to renegotiate and terminate their ODS contractual obligations. The Committee will review the impact of such proposals on the competitive position of the U.S.-flag fleet, the statutory authority of MarAd to terminate or renegotiate the obligations under the contract, other maritime goals, and the reduction of Federal outlays.

Research and development

This program develops methods, systems, and equipment to assist the U.S. shipbuilding and ship operating industries to be more productive and more competitive with foreign shipyards and operators. Programs are aimed at development of information and technology that will result in lower shipbuilding costs, operating costs, and Government subsidies for both ship construction and operation. Substantial participation of industry is obtained through cost sharing. MarAd also assists in port development and promotion through a regional office network.

Merchant Marine Academy and State Marine Schools

MarAd operates the U.S. Merchant Marine Academy at Kings Point, N.Y., where U.S. citizens are trained to become merchant marine officers. The Academy has an enrollment of about 1,000 and graduates about 200 students annually.

MarAd also supervises the Government grants and student aid given to the six State marine schools, which are located in Maine, New York, Massachusetts, California, Texas, and Michigan. These schools have a total enrollment of about 2,000 and graduates about 400 students annually.

Graduates of both the Academy and State schools are generally employed at sea as deck or engineering officers, or ashore in the maritime industry.

Supplementary training

Section 216(c) of the Merchant Marine Act, 1936, authorizes MarAd to prescribe, conduct, and supervise such courses as it may deem necessary to supplement other training facilities. The basic objectives under the current training program are to assist in providing a trained shipboard work force and improve safety of life and property in shipboard pollution resulting from ship collisions, groundings, and fires. Training is provided through modest training facilities located on each of the four seacoasts.

National Defense Reserve Fleet

The National Defense Reserve Fleet provides an inventory of ships to supplement the active fleet in times of war and national emergency. The fleet is the only source of reserve break-bulk shipping capacity available to the United States during a military or commercial shipping crisis. Reserve fleet sites are also used as repositories for ships awaiting disposal.

Other operating expenses

This program provides for overall program direction and administration and for general administration not directly assignable to specific programs; for program direction and administration of the subsidy and research and development programs; and for program direction and administration and costs of the following programs: Capital construction manpower administration, title XI loan guarantee program, emergency planning/operations, market development, advanced ship operation systems, port and intermodal systems, and domestic shipping.

LEGISLATION

Vessel construction

During fiscal year 1982, Congress temporarily allowed U.S.-flag carriers receiving ODS to enter into contracts to construct vessels in foreign shipyards and also allowed immediate eligibility for cargo preference carriage. Before authority terminated on September 30, 1982, authority was received from the Secretary of Transportation for the construction, reconstruction, and acquisition of 48 vessels. This was a temporary measure designed to provide an alternative source of vessels, while Congress and the administration developed a shipbuilding program. (The Construction Differential Subsidy (CDS) program had proven insufficient to achieve parity between U.S. shipyards

and their foreign competitors, and has been unfunded over the past 2 years.) With the need to provide U.S.-flag vessel operators with modern ships at costs similar to those paid by their foreign competition, the "build-foreign" alternative will be examined again during the 98th Congress.

In addition, the Committee will also examine other alternatives, such as cargo reservation and a Government "build-and-charter" program. Also, under its Coast Guard jurisdiction, the Committee will begin the process of reviewing U.S. construction standards in order to reduce the costs of domestic shipbuilding without sacrificing safety.

Cargo reservation schemes

Cargo reservation has long served as a means of ensuring the existence of a merchant fleet by guaranteeing cargo for it to carry. It also serves to provide construction opportunities for domestic shipyards. The Jones Act and the Government-impelled cargo preference program are two examples of cargo reservation. During the 97th Congress, legislation was introduced in the House to reserve varying percentages of cargo in the U.S.-international trades to U.S.-flag vessels. No such legislation was introduced in the Senate. It is anticipated, however, that cargo reservation proposals will again surface as a means to support our U.S.-flag fleet and shipyards. To the extent that cargo reservation results in increased transportation costs to shippers, these proposals can be expected to generate significant controversy, as they have in the past. Thus, this issue will bear close scrutiny by the Committee during the 98th Congress. The goal of the Committee will be to balance the need to develop a U.S.-flag fleet and shipbuilding base, with the need of shippers and agricultural and coal exporters to be competitive in world markets.

Jones Act waivers

Periodically, the Committee receives requests for a waiver of the Jones Act requirement that all vessels serving the domestic trades be built in the U.S. and have been continuously owned and operated under the U.S. flag. It is the Committee's responsibility to consider such requests individually, and to determine their potential impact on domestic commerce. When appropriate, the Committee will report implementing legislation.

Alaska vessel service

An issue of particular importance to some members of the Committee involves vessel service to Alaska. The goal of the Committee in this area will be to continue the development of a strong U.S.-flag waterborne transportation system from the continental United States to all parts of Alaska.

Federal Maritime Commission

The regulatory portion of U.S. shipping policy is administered by the FMC. Our regulatory policy is intended to safeguard against agreements and practices in the U.S. liner trades which would be detrimental to the commercial interests of the United States. Thus, all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether subsidized or not, whether

conference members or independents, must compete openly and fairly with one another.

AUTHORIZATION

For fiscal year 1983, it was proposed, for the first time, that the FMC, which is already part of the oversight responsibility of the Commerce Committee, be subject to an annual authorization. The FMC is a relatively small agency, presently with 291 employees. The Committee will review and authorize the FMC's fiscal year 1984 budget.

LEGISLATION

The Shipping Act of 1983

The Shipping Act, 1916, as amended, is intended to encourage competition in our liner trades on the one hand, while permitting limited anti-competitive practices to encourage stability on the other. To do this, the 1916 Act attempts to balance the benefits of competition and the benefits of the conference system by immunizing certain anti-competitive economic agreements among carriers from the impact of the antitrust laws, if these agreements are filed with and approved by the FMC.

The FMC is authorized to approve these agreements as necessary in our liner trades to secure, among others, the following advantages: regularity and dependability of service; extended periods of stable-rates; and uniformity of rates to all shippers. However, chiefly because of the attitude of the Justice Department and its opposition to the approval of section 15 agreements, (our) regulatory policy has been frustrated.

In the Committee's view, it makes no sense to expend large sums of tax dollars to promote a strong maritime industry, if on the other hand, we regulate it in a discriminatory manner which prevents it from competing equitably and fairly with foreign flags in our trades.

In an attempt to remedy these problems the Committee, as its first priority, will pursue to final passage the Shipping Act of 1983. The goal is to clarify the exemption of concerted economic activity in the maritime area from U.S. antitrust laws, amend the standards and streamline the procedures for approval of agreements for economic cooperation, strengthen the conference system, and provide greater flexibility and improved negotiating posture for shippers, both large and small.

While Congress considers improvements to its international ocean regulatory law, other nations including Canada and European Community members are developing their own regulatory programs. These include amendments to the Rules of Competition under the Treaty of Rome. The Committee will seek to reduce any conflicts which might develop between the U.S. and foreign regulatory schemes.

Combined transportation regulatory agency

In the interests of further encouraging the development of an intermodal transportation network, the Committee intends to consider legislation to combine the ICC, MarAd, and the CAB into a single regulatory commission. The goal is increased efficiency, reduced duplication. As part of this initiative, the removal of certain existing limitations on ownership of certain water carriers by freight forward-

ers subject to ICC jurisdiction and other transportation companies will be proposed. It is anticipated that the Committee will place a high priority on considering this initiative.

Domestic maritime deregulation

It is anticipated that the administration will propose a plan to reduce FMC regulation of the domestic maritime trades. Presently, FMC is engaged in rate regulation which limits the flexibility of carriers to respond to changing markets. The current regulatory scheme does, however, serve certain requirements for stability by those dependent on ocean transportation services, particularly in Alaska and Hawaii. Thus, any proposed legislation will require careful analysis and scrutiny by the Committee.

Canadian cargo diversion

Of continuing concern to the Committee is the movement of U.S.-originated cargo through Canada, rather than U.S. ports. This problem is of particular concern to U.S.-Atlantic ports. The reasons for this diversion, including the need for regulatory consistency in dealing with U.S. cargo movements regardless of port of departure, will be examined.

Section 19, The Shipping Act, 1920

In response to unilateral cargo reservation schemes by certain of our trading partners during the past year, the FMC has utilized the provisions of section 19 of the Shipping Act, 1920, to maintain free trade and continued U.S.-flag participation. Experience has shown that the more rapid and firm the U.S. response towards these anti-competitive measures, the less likely they will be fully implemented by the other nation.

Significant discretion is allowed the FMC under section 19 as to whether to proceed rapidly or much more slowly. While the present FMC Commissioners have in recent months moved firmly and promptly, it may be possible to further discourage unilateral actions by legislatively mandating a tight schedule of review and, if necessary, a quicker, mandatory application of suspension provisions.

U.N. Code of Liner Conduct

The U.N. Code of Liner Conduct is a product of the U.N. Conference on Trade and Development and reflects a long-term effort to allocate the carriage of cargo among international trading partners. It would require that, in the liner conference trade between two nations, the majority of cargoes would be carried by each of the two country's flag fleets. Thus, a significant portion of trade could be subject to increased ocean transportation costs.

The United States has strongly opposed the Liner Code. While many of our trading partners would accept the basic scheme of the Code as regards to their trade with the Third World, they have proposed a so-called "Brussels Package" to exempt the EEC nations as to trade among themselves. This, combined with nonratification by the United States and others, could result in nonapplication of the Code to trade between the United States, Japan, Australia, Canada, and Europe. It is anticipated that the Treaty will be ratified by nations representing a sufficient percentage of world tonnage so as to go into effect in July of 1983. Therefore, this issue and the possible

alternative of bilateral cargo reservation agreements requires prompt and continuing consideration by the Committee.

U.S. Coast Guard

The third agency within the Federal maritime triad, the Coast Guard, is the principal maritime safety and law enforcement agency. Over the years the Coast Guard's role has expanded substantially. It not only absorbed the International Ice Patrol, the old "Lifesaving Service," the Lighthouse Service, and the Bureau of Marine Inspection, parts of the U.S. Customs Service and the Corps of Engineers, but also received a variety of new assignments by virtue of laws passed by Congress in the 1970's. Since 1967, when it was moved from the Treasury Department, the Coast Guard has been part of the DOT.

AUTHORIZATION

In an effort to provide the Coast Guard and administration a blueprint for budgetary planning, the Committee reported an authorization bill for both fiscal year 1983 and 1984. That bill became law in September 1982.

During the first session of the 98th Congress, the Committee will review the adequacy of authorized spending levels in light of continually increasing responsibilities being delegated to the Coast Guard. Attention will be focused on the consequences of the Federal drug interdiction effort by the special task force centered in South Florida, and the critical Coast Guard role in that effort. In addition, the Committee will evaluate the 1983 GAO report on Federal drug interdiction in the context of Coast Guard resources and operations.

LEGISLATION

Title 46—Shipping laws

During the 97th Congress, significant progress was made in the development and clarification of proposed legislation to update and revise sections of title 46 relevant to seamen's welfare and marine safety. This effort was embodied in a bill introduced late in the second session, S. 2660. Subsequently, a staff draft of S. 2660 was released which contained modifications of the initial bill to reflect public comment. It is the intent of this Committee that the new bill, S. 46 accompanied by productive comment, will be acted upon and passed early in this session. This legislation will be developed in close cooperation with the House Merchant Marine and Fisheries Committee. Through the enactment of this bill it is this Committee's goal to relieve the maritime community of the confusion caused by the present set of overlapping, ambiguous, and antiquated laws governing marine safety and seamen's welfare.

Tonnage measurement

Another area on which the Committee will focus its attention is the Tonnage Measurement Convention approved by the International Maritime Organization and previously ratified by the Senate on September 30, 1982. The Committee's role will be one of formulating implementing legislation for the Convention and subsequently one of oversight and review of its application.

Vessel construction

An analysis of U.S. vessel construction standards is long overdue. The Committee will begin the process of allowing U.S. ship construction to become competitive and commensurate with the standards and production levels of foreign shipbuilders, without sacrifiicing safety, quality, and environmental protection This vast and highly technical area will require extensive review by the Committee. This can be accomplished through close consultation with industry and government experts. The Committee will subsequently hold hearings to analyze their conclusions. The goal will be introduction of comprehensive legislation later in the 98th Congress.

Oilspill liability

The Committee will continue to consider the desirability of legislation in the area of oilspill liability and compensation. Maritime oil spills adversely affecting the marine environment may be addressed by legislation creating an oil pollution trust fund to permit Federal clean up and compensation of vessel spills. Such legislation will have to be developed in the context of possible U.S. ratification and implementation of the 1969 International Convention on Civil Liability for Oil Pollution Damage and its companion treaty, the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

Load lines

Maritime carriers have expressed concern over the need to harmonize the existing laws applicable to load lines, so that cargo carrying capacity can be increased without undercutting safety objectives for labor. The Coastwise Load Line Act and other statutes and treaties on load lines for international and Great Lakes voyages will be the subject of this effort. The goal will be to bring about load line standards that, to the extent possible, will be the same no matter what kind of voyage is involved.

NATIONAL OCEAN POLICY STUDY

Introduction

It is generally recognized that many resources of the oceans are underutilized. The Committee feels that through sound development and management these assets can be used to augment dwindling land based supplies of energy and mineral resources as well as provide a large source of food protein.

At the same time, the Committee is very conscious of its responsibility to assure adequate environmental protection for the delicate natural balances found in the ocean ecosystem. It is the view of the Committee that the goals of development and environmental protection are not incompatible, but that great care must be taken in developing a balance between them.

In addition, the increasing pressures on the Federal budget are having an impact on ocean and atmospheric programs. All budget options must be weighed during the 98th Congress so that effectiveness of Federal programs in this area can be maintained; in many cases there is no alternative to continued Federal funding for ocean and atmospheric programs. With this in mind, the Commerce Committee is committed to the maintenance of all those programs which are viewed as being important to the national welfare.

The National Ocean Policy Study (NOPS), which is administered by the Committee on Commerce, Science, and Transportation, has oversight responsibility for all ocean related issues. Established by Senate Resolution, NOPS membership includes representatives from all standing committees that share an interest in oceans issues. Oversight includes, among others, fisheries, marine mammals, coastal zone management, ocean energy and mineral resources, ocean pollution, and marine science. The purpose of NOPS is to provide a cross-Senate forum for discussion and to report findings or recommendations for legislation to the Senate.

The activities of NOPS and the Committee in the ocean and atmospheric areas during the 98th Congress fall into two categories: reauthorizations and oversight (including new legislative initiatives).

Reauthorizations

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) AUTHORIZATION/ORGANIC ACT

Congressional authorization of NOAA programs has been a haphazard process in the past. The Committee believes that a better organized and more comprehensive system is necessary for accomplishing this function.

The restructuring of the NOAA authorization process will consist of two steps: a form of comprehensive authorization, and enactment

of organic legislation. Both steps would help to strengthen NOAA's ability to carry out its missions. Presently, NOAA's charter consists of only a vague Executive order. In addition, current oversight of the NOAA budget focuses on only 20 percent of the Agency's programs. These facts contribute to NOAA's vulnerability to reorganization, program transfers to other agencies, and unwarranted budget reductions. The Committee feels that a stronger showing of interest in the NOAA mission will help assure that the agency carries out ocean and atmospheric programs as intended by the Congress.

Any comprehensive authorization program for NOAA must include ocean and coastal programs, marine fishery resource programs, atmospheric and satellite programs, the National Weather Service, National Ocean Survey, National Environmental Satellite and Data Information Service, National Marine Fisheries Service, and the National Sea Grant program. The specific structure of the comprehensive authorization process will be explored during the 98th Congress.

Any NOAA authorization procedure will have to include reauthorizations of a number of expiring programs.

ATLANTIC TUNAS CONVENTION ACT

This act authorizes U.S. participation in the International Convention for the Conservation of Atlantic Tunas (ICCAT). This is the international body which is responsible for management of Atlantic tuna stocks.

NATIONAL AQUACULTURE ACT

The future of Federal involvement in aquaculture is uncertain. The reauthorization of this act will give the Committee the opportunity to explore this emerging industry and to determine what the proper Federal role should be.

SECTION 4 OF THE FISH AND WILDLIFE ACT OF 1956

The future of the Fisheries Loan Fund is another uncertain area which the Committee must address. Moneys from foreign fishing fees have accrued in the Fund, where the balance is now approaching $60 million. Possible uses for this money will be explored as part of the reauthorization process.

NATIONAL SEA GRANT COLLEGE PROGRAM ACT

The Sea Grant Program, created in 1966, and revised by the National Sea Grant College Program Act of 1976, established an educational and research base for applied marine research. Patterned after the Land Grant College program, it provides for a three-pronged mission: addressing marine education, research, and advisory programs, which relay practical information and assistance to marine resource users.

In the Committee's view, the Sea Grant program has proved to be a successful and cost effective Federal effort. The reauthorization will consider the program's accomplishments, funding and need for modifications to meet the needs of the next decade.

TITLES II AND III OF THE MARINE PROTECTION, RESEARCH AND SANCTUARIES ACT OF 1972

Title II requires the Department of Commerce to perform ocean dumping research. Although a broad spectrum of opinion exists on ocean dumping, the Committee supports research designed to monitor and assess the impact of such activity on the ocean ecosystem.

Title III authorizes the Marine Sanctuaries program within the Department of Commerce. This program was initiated to preserve and protect unique marine areas for the continued use and enjoyment by succeeding generations of Americans.

The authorization process will examine the balance presently being struck between this program and the administration's outer continental shelf leasing program. In addition, the Committee will also examine complaints brought by oil and gas development interests regarding certain sites and the site selection procedure for new sanctuaries.

NATIONAL CLIMATE PROGRAM ACT

The National Climate Program Act of 1978 recognizes that climate and climate fluctuations have a major impact on food production, water resources, energy supplies and demand, the economy, and human welfare. The act emphasizes long term research efforts to gain an understanding of the very complex climate processes and a balanced program of research and application to make use of extensive climate data that already exists. NOAA has been designated to lead a multi-agency Federal program, including the Departments of Agriculture, Defense, Energy, and Interior, NASA and NSF. The Committee will assess this program's progress.

NATIONAL OCEAN POLLUTION PLANNING ACT

This act provides for coordination of all Federal activities in the area of ocean pollution research and abatement. The Committee will review progress of this program and recommendations for the improved coordination of United States marine pollution activities.

NATIONAL ADVISORY COMMITTEE ON OCEAN AND ATMOSPHERE (NACOA)

NACOA's mission is to provide the President and the Congress with reports and advice on the course of national ocean policy. The Committee will examine NACOA to determine what resources it requires to be an effective advisory instrument.

WEATHER MODIFICATION REPORTING ACT

Extreme weather can cause severe damage to crops and property and result in injuries and loss of life. Better information about the occurrence and course of extreme weather, as well as the possible modification of the natural destructive processes, could have enormous financial and social benefit. During reauthorization the Committee will examine the progress made in modifying severe weather.

Oversight Activities and New Legislation

FISHERIES DEVELOPMENT

The Committee will continue its involvement in assisting and monitoring the development of the U.S. fishing industry, in particular the development of U.S. harvesting and marketing capacity for what are termed "underutilized species".

The United States currently suffers from a $3 billion annual trade deficit in fishery products. The only way this deficit will be substantially reduced is if the U.S. fishing and processing industries are able to capture a large share of the domestic market while expanding operations on the world market.

There are many parts to an effective, federally assisted fishery development program. Among these parts are the following issues which the Committee will be exploring.

FISHERIES DEVELOPMENT CORPORATION

Proposals have been made that a quasi-governmental fisheries development corporation should be established. The argument is that the types of fishery development programs currently being handled by the National Marine Fisheries Service could be better run outside the confines of the Federal Government. While the Committee has not expressed an opinion about these proposals, the issue will definitely be the subject of discussions during the 98th Congress.

TITLE XI LOAN GUARANTEES

The Title XI loan guarantee program of the Merchant Marine Act of 1936 was extended to the processing sector during the 96th Congress. However, the administration has proposed elimination of the program. Late in the 97th Congress an amendment by Senator Packwood was enacted which precludes the administration from setting a ceiling on these loan guarantees. The amendment provides that a limit may only be set by Congress in authorizing legislation. The Committee will work to ensure that this program remains available to all fishermen and processors who qualify, subject to any statutory ceiling on guarantee commitments in this area.

CAPITAL CONSTRUCTION FUND

As a means of providing for the capital needs of the fish processing industry, the Committee will explore the possibility of changing the Capital Construction Fund program (section 607 of the Merchant Marine Act of 1936) so that processing plants can also benefit from it. The program now covers just fishing vessels and merchant ships. As with the change to the Title XI loan guarantee program in 1980, this move would improve the chances for the expansion needed to develop a U.S.-controlled bottomfish market.

SALTONSTALL-KENNEDY PROGRAM

Another amendment offered by Senator Packwood was enacted at the end of the 97th Congress. This restructured the Saltonstall-

Kennedy fishery development grant program. The Committee will be working this Congress to ensure that the intent of the amendment is implemented and that the Saltonstall-Kennedy Fund is used exclusively for fisheries development projects.

FISHERY EXPORT PROMOTION

The Committee will explore the proper Federal role in the area of export promotion. As mentioned earlier, the United States currently has a $3 billion fishery trade deficit. Reduction of this deficit would benefit the entire national economy, and is therefore a legitimate concern of the Federal Government.

FISHERY PRODUCT QUALITY STANDARDS

In this area, the Committee will also be reviewing what the proper Federal role might be. It is generally accepted that the quality and uniformity of certain U.S. fishery products must be raised and guaranteed if U.S. products are to penetrate world markets.

Other areas of legislative interest to the Commerce Committee during the 98th Congress will include the following issues.

MARINE MAMMALS

The Committee will continue its work in the area of marine mammal protection. Of particular interest will be developments regarding whaling. Since the Committee is anxious to see adherence to the commercial whaling moratorium which was approved by the International Whaling Commission (IWC), the actions of individual whaling nations will be watched closely.

OUTER CONTINENTAL SHELF REVENUE SHARING

Legislation is expected early in the first session to provide a fund for returning to coastal States a portion of oil and gas revenues generated by offshore development. Legislation in the 97th Congress, S. 2792 and S. 2794, was introduced to provide such a fund and hearings were held before the Committee.

Such a fund would provide coastal States with the resources necessary to develop renewable resource-based industries, enhance fisheries development and coastal programs, and also mitigate onshore impacts of offshore development.

LAW OF THE SEA/EXCLUSIVE ECONOMIC ZONE LEGISLATION

The administration's decision to abstain from signing the Law of the Sea Treaty necessitates close examination by the Committee of the implications of this position.

Non-participation in the Treaty may present obstacles to U.S. seabed mining, maritime navigation and international marine science activities. A number of legislative responses including the Exclusive Economic Zone proposal will be considered to ensure continued U.S. access to seabed minerals, rights of passage through international straits and international cooperation among marine scientists. The

effect of this legislation on U.S. fishery interests will be of paramount importance.

The implications of U.S. policy regarding the Law of the Sea Treaty may call for amendments to existing ocean mining legislation or recommendations for additional legislative or administrative actions.

SCIENCE, TECHNOLOGY, AND SPACE

AUTHORIZATIONS

The Committee has standing responsibilities for reauthorizations of several scientific and technical programs. In addition, there are other areas in which program authorizations seem appropriate and timely.

There will be an increasing effort made to exercise the broad charge to the Committee under the Standing Rules of the Senate "... to study and review, on a comprehensive basis, all matters relating to science and technology..."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

NASA has the primary Federal responsibility for research and development in space, as in aeronautics. The largest current program is the Space Transportation System, which includes the Space Shuttle. Other major components of the agency are aeronautical research and technology; space science and applications; and tracking and data acquisition.

The Space Shuttle is now classified as operational, and NASA is taking steps to transfer more responsibility for operations to the private sector. The Shuttle Processing Contract will be the largest award which NASA will be considering this year and the Committee will be reviewing the contracting process.

As the Space Shuttle becomes a truly operational system, the focus of the Committee and the Agency will shift toward other interests of the Committee, namely: private sector involvement in launch services, Shuttle ownership and marketing of Shuttle services; orbiter fleet size; international competition and cooperation in space; future space initiatives, prominently including a space station; the balance between the civilian and military space programs, particularly as the Shuttle is reserved increasingly for military space missions; and space science and applications. These examples are illustrative and do not represent all of the space related issues which could be considered by the Committee in the 98th Congress.

With respect to aeronautics, the Committee will devote particular attention to the implications of aggressive efforts of consortia of foreign governments and government owned industries to displace the longstanding worldwide leadership of the U.S. aviation industry in aviation technology and sales, both civil and military. The role of NASA in supporting the U.S. aviation industry through technology development will be the primary focus.

The Committee anticipates 2 or 3 days of hearings on the fiscal year 1984 NASA authorization. Additional hearing days will be devoted to those emerging issues listed above.

NATIONAL BUREAU OF STANDARDS (NBS)

NBS is responsible for the development of physical standards and measurement techniques that are essential for scientific, industrial and commercial advancement. New standards and techniques are continually needed to keep pace with increasingly rapid technological developments and the resulting industrial and scientific requirements for more precise measurements.

The Committee will hold authorization hearings on NBS in 1983. Areas of likely interest include NBS activities in support of computer and data processing industries, metals processing, automated manufacturing and industrial robotics. The Committee plans to reauthorize NBS for fiscal year 1984.

EARTHQUAKE HAZARDS REDUCTION ACT

Each year more than a thousand earthquakes are detected in the United States. Depending on the location and magnitude, an earthquake could cause billions of dollars of property losses and injure or kill tens of thousands of people. The Earthquake Hazards Reduction Act of 1977 (Public Law 95–124) was passed to develop a comprehensive national policy and a coordinated program to reduce hazards and risks from earthquakes. The act directs four Federal agencies (U.S. Geological Survey, National Science Foundation, National Bureau of Standards and Federal Emergency Management Agency) to conduct a variety of activities such as prediction, hazard mitigation, research, earthquake engineering, and response planning for major earthquakes.

In 1982, the Committee directed that the four agencies submit a 5-year coordinated program plan to Congress and requested a GAO study of the management and organization of the earthquake program.

In 1983, the Committee will devote a major portion of its reauthorization activities to a review of the 5-year plan and the GAO report. The Committee plans to reauthorize the program for fiscal year 1984.

U.S. FIRE ADMINISTRATION (USFA)

USFA was established by the Federal Fire Prevention and Control Act of 1974 to assist States and firefighters in promoting fire prevention and control. The importance of fire prevention and control has received national attention after recent large hotel fires caused the deaths of many people.

The Committee will reauthorize the USFA for fiscal year 1984. The Committee plans to review executive branch intentions to keep fire fighting activities in a special separate administration rather than possibly diminishing Federal attention to this area by placing fire control and support activities in an organizational unit with other unrelated activities.

The Committee will also review progress of the USFA in disposing of the site of the former Marjorie Webster College which had been planned for use as a fire academy until the academy was established at Emmitsburg, Md.

NATIONAL SCIENCE FOUNDATION (NSF)

NSF is the only Agency in the Federal Government whose primary responsibility is the support of nonbiomedical basic research. For that reason the consideration of authorizing legislation for the NSF by the Committee seems particularly appropriate.

During the 97th Congress, the Committee held several days of hearings, and reported authorizing legislation (S. 1194 and S. 2551) for NSF.

During the 98th Congress, the Committee intends to hold hearings on the NSF budget with particular emphasis on: basic research activities of the NSF; initiatives in scientific instrumentation (both updating and replacing equipment as well as equiping laboratories of young researchers); and NSF's activities in science and engineering education. The Committee is particularly interested in focusing on the identified primary responsibility of NSF to support fundamental scientific and engineering research.

OVERSIGHT AND LEGISLATION

FEDERAL FUNDING FOR BASIC RESEARCH IN THE UNITED STATES

In recent years, there has been great concern over not only the levels for Federal funding of basic research, but the unpredictable and vulnerable nature of that funding, given the characteristics of the Federal budget cycle. Moreover, the consequences of under investment or limits on investment in this vital function are not usually apparent in the near term and are hard to determine precisely in any event.

More than most other Federal budget categories, control of that for basic research is divided among several committees with little coordination among them. Little progress has been made in developing a stable funding for fundamental research, particularly in key scientific disciplines. Such funding should include not only the conduct of the research itself, but the training of talented individuals to do the research and the equipping/re-equipping of research laboratories.

The Committee will be examining this issue and will consider hearings and legislation as appropriate.

SCIENTIFIC, ENGINEERING AND TECHNICAL MANPOWER

One of the most active issues in the 97th Congress was that of scientific, engineering and technical manpower and its corollary of science and mathematics education in the United States. The "Science and Technology Improvements Act" (S. 2809) was referred to this Committee. Although no legislation was passed, there were numerous bills dealing either directly, or indirectly, with this issue. The Committee plans to hold hearings and consider legislation in the area of science manpower.

Legislation will address questions such as university faculty shortages in critical disciplines, training and retention of precollege mathematics and science teachers, and private sector sharing of manpower development costs.

NATIONAL SECURITY AND SCIENTIFIC COMMUNICATION

Recent debate on the question of export controls on the flow of scientific information for purposes of national security has raised concern in both the scientific and security communities.

Both the character of the basic research effort in the United States as well as the concept of the university as a place for the free exchange of ideas could undergo a dramatic change if scientists doing basic research were required to submit scientific papers to the government for prepublication review to determine whether the research was "militarily critical."

The Committee will follow the development of national security controls on scientific and technological data transfer, as well as the impact which any proposed changes (legislative or regulatory) may have on scientific and technological data exchanges.

RISK ASSESSMENT

During the 97th Congress, the "Risk Analysis Research and Demonstration Act" (S. 3006) was reported by the Committee. The bill called for a 30-month program under the direction of the Office of Science and Technology Policy to improve the scientific bases for risk analysis methods used by a number of Federal regulatory agencies. The program called for a number of demonstration projects within certain Federal Agencies.

There is interest in the use of risk assessment in the Federal Government, both within the agencies and industry. Legislation is anticipated in the 98th Congress and the Committee will hold hearings, as appropriate.

INNOVATION AND U.S. INDUSTRIAL POLICY

Manufacturing industries are essential to the economic health and security of the United States. In 1981, manufacturing contributed roughly $700 billion to our gross domestic product and employed twenty percent of our workforce. However, the competitiveness in domestic and international markets of many of our industries is threatened by foreign industries with products often equal or superior to those of the United States in terms of cost, quality, reliability, and innovativeness. The devastating effect on U.S. employment is well known.

A study has been requested of the Office of Technology Assessment (OTA) on the impacts on the U.S. economy and employment of continued growth of the high technology sector. The study would also identify factors which enhance or hinder growth of high technologies.

The Committee plans hearings on innovation in U.S. basic and high technology industries and on actions and incentives that could stimulate innovation and competitiveness.

Legislation will be considered to establish a research program on the technologies of manufacturing and related training of engineers and managers.

LAND REMOTE SENSING

The first land remote sensing satellite (Landsat) was launched by NASA in 1972. Over the past decade NASA's R. & D. efforts in remote sensing have proven to be highly successful.

Management responsibility for the Landsat program was recently shifted to NOAA, but the ultimate goal is to evolve the system into the private sector. A decision on the future of land remote sensing is needed, including resolution of when and under what conditions such a transfer to the private sector should be made.

Various bills have been introduced in past Congresses dealing with Landsat. Most recently the Congress requested several studies from the administration comparing different alternatives to Landsat commercialization. The administration is also reaching a decision on commercialization, including the possibility of transferring the meteorological satellites as well.

The Committee expects to review the administration proposal and other alternatives. Legislation will be necessary.

LASER R.&D.

A very promising area of technology development for economic, national security and social purposes is lasers. Their application is widespread and expected to grow significantly.

Federal support of laser R. & D. has played a prominent role in this technology growth. Several agencies and departments sponsor R. & D., and there have been questions raised over the adequacy of funding and balance among programs. In the 97th Congress legislation was introduced dealing with laser R. & D.

The Committee expects to explore this issue, including the possibility of hearings and legislation.

SENATE PRODUCTIVITY AWARD

In 1982, the Senate passed S. Res. 503, establishing a Senate Productivity Award. The purpose of the program is to recognize and publicize ways to increase productivity.

Each Senator is authorized to select annually one constituent to receive a medallion for contributions to improvements in productivity.

The Committee is responsible for administering the program.

MATERIALS AND MINERALS POLICY

The U.S. currently imports a great portion of many strategic minerals and materials which are vital to the national economy and security. Many sources of these minerals are highly vulnerable to supply interruptions, and our industries are facing increasingly intense international competition for these materials.

U.S. industries are also becoming increasingly dependent on foreign refining and/or processing of the base materials. Even if large amounts of raw materials were stockpiled or domestic mines opened for some of the minerals, U.S. firms might not be able to process the raw materials sufficiently fast in time of a national emergency.

The Committee developed the National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96–479) to fix responsibility and authorize activity for addressing these and other materials-related issues.

In 1982, the Committee held oversight hearings on the Plan and Report to the Congress by the President for a national materials

policy, submitted in compliance with Public Law 96–479. The Committee also initiated a 2-year study by the OTA to examine the potential for science and technology to develop substitutes or otherwise reduce demand for selected strategic materials.

In 1983 the Committee will monitor Federal materials research and development efforts to determine the progress of the United States in using science and technology to reduce vulnerabilities to disruption in supplies of critical and strategic materials.

BIOTECHNOLOGY

Biotechnology, encompassing both recombinant DNA as well as monoclonal antibodies and related technologies, has emerged as one of the most promising of the new "high technology" industries. Research in this area is burgeoning.

A study, requested by the Committee and undertaken by OTA, is currently underway to examine the competitive health of the United States in biotechnology relative to other countries. An interim report has been issued and the final report is scheduled for July of 1983. The Committee will follow the course of this study and consider hearings, as appropriate.

PATENT POLICY

In the 97th Congress, S. 1657, the Uniform Science and Technology Research and Development Utilization Act was favorably reported by the Committee. This legislation would establish a uniform, governmentwide policy for allocating rights to inventions made in the course of Government-sponsored research and development. Rights to inventions would normally be granted to contractors who assume responsibility for commercialization of these inventions.

This uniform policy would encourage private sector development of technologies and products and help increase the benefits to the public of the federal investment in research and development.

The Committee will consider this issue again.

FEDERAL ENERGY REORGANIZATION

Legislation was submitted by the administration (S. 2562) in the 97th Congress to dismantle the Department of Energy and move the bulk of the responsibilities, those for research and development, to the Department of Commerce.

The primary jurisdiction for this activity would remain with the Committee on Energy and Natural Resources. However, the Commerce Committee retains considerable interest since energy R. & D.: is germane to the oversight jurisdiction of the Committee; may distort the current R. & D. function of Commerce by virtue of its vastly greater size; raises the potential for competition over the confirmation of key appointments presently within the Commerce Committee's jurisdiction.

If similar legislation is introduced in the 98th Congress this Committee will work with the Department of Commerce, the administration and the Committee on Governmental Affairs to effect timely passage.

PIPELINE SAFETY

The Natural Gas Pipeline Safety Act and Hazardous Liquids Pipeline Safety Act will require reauthorization this Congress. The Committee believes this program has been successful in promoting pipeline safety. Oversight and reauthorization of these acts will focus on the appropriate mix of Federal and State involvement and funding levels necessary for adequate enforcement of the law.

OIL PIPELINE

The Reagan administration has been evaluating the competitiveness of the oil pipeline industry to determine the extent to which regulation of such pipelines by the Federal Energy Regulatory Commission is necessary. The administration is expected to submit its recommendations to Congress early in the 98th Congress. The Committee intends to consider such deregulation proposals.

The Committee will be concerned with whether there is adequate competitiveness among oil pipelines and with alternative modes of transportation to assure that the free market forces are sufficient to fairly price oil pipeline transportation.

SURFACE TRANSPORTATION

Motor Carrier Safety

Motor carriers (trucks and buses) traveling in interstate commerce and all motor carriers transporting hazardous materials are subject to Federal Motor Carrier Safety Regulations administered by the Bureau of Motor Carrier Safety within the DOT. Enforcement of these regulations is constrained, however, due to the small number of Federal inspectors and the limited sanctions available for prosecution of violators of the safety regulations. Legislation passed during the 97th Congress authorized DOT to make grants to States over fiscal years 1984 through 1988 to enforce Federal and compatible State motor carrier safety regulations. The legislation also provided protection for trucking employees who refuse to drive unsafe vehicles or who report safety violations.

The Committee intends to examine the effectiveness of existing statutes and regulations governing motor carrier safety and investigate overall motor carrier safety performance. The Committee seeks to reduce unnecessary and burdensome measures, where possible, and implement more effective provisions, where needed.

Hazardous Materials Transportation

The DOT is responsible for regulating the packaging and transportation of hazardous materials by highway, rail, pipeline, and water. The Committee intends to continue its review of DOT programs in this area.

Specific issues to be addressed include: the reauthorization of the Hazardous Materials Transportation Act; routing and prenotification requirements; regulation of nuclear waste transportation; improvements in training, enforcement, and emergency response efforts; and the overall coordination of hazardous materials transportation activities, not only among the various Federal agencies involved (that is, DOT, Nuclear Regulatory Commission, Federal Emergency Management Agency, Environmental Protection Agency, Coast Guard, and National Transportation Safety Board) but also between the Federal agencies and the appropriate State and local authorities.

The Committee intends to conduct hearings on hazardous materials transportation and will thoroughly examine the numerous issues related to this transportation.

Coal Slurry Pipelines

Transportation of coal by pipeline has become an important issue in recent years due to the increased interest in coal as an energy source.

The domestic supply of coal is significant and could be used to reduce this country's dependence on foreign oil; to increase the U.S.

exports and reduce the trade deficit; and to increase rate competition for sources of energy. These benefits will depend on adequate and cost-efficient transportation of the coal to powerplants and to the ports for export.

Proponents of coal slurry pipelines argue that pipelines will supplement the coal hauling capacity of railroads while acting as a buffer against excessive coal rate hikes. Critics of coal slurry pipelines stress their potentially harmful effect on scarce water resources and on the competitive position of the railroads. Some contend that the railroads need the coal freight to strengthen their systems so as to provide for the transportation of many different commodities.

Legislation to grant eminent domain to private companies for the construction of coal slurry pipelines in order to facilitate the transportation of coal is likely to be considered in this Congress. The Committee intends to examine the many questions raised by such proposals.

Intermodal Transmission

In recent years, there has been a marked growth in intermodal transportation. This growth has resulted in improved efficiency for carriers and improved service for shippers. While the 1980 railroad and motor carrier reform acts included some provisions removing impediments to the growth of intermodal transportation, the Committee believes further actions need to be examined to encourage such growth.

During this session of Congress, the Committee intends to consider legislation that will encourage the growth of intermodal transportation. In this regard, the Committee notes that such legislation is expected to include provisions that would establish a single agency responsible for regulating the transportation industry. The Committee believes that the current division of responsibility among the Interstate Commerce Commission (ICC), the Federal Maritime Commission (FMC), and the Civil Aeronautics Board (CAB) has tended to fragment decision making affecting intermodal transportation and to diminish the agencies' intermodal perspective. Further, such legislation is expected to include provisions to eliminate statutory restrictions on common ownership of railroads, motor carriers, water carriers, pipelines, and freight forwarders. The Committee believes that these restrictions have tended to inhibit the growth of intermodal transportation.

National Railroad Passenger Corporation (Amtrak)

The Amtrak Improvement Act of 1981 (the Act) authorized funding for Amtrak for fiscal years 1982 and 1983. The act also directed Amtrak to improve the cost effectiveness of its performance starting in fiscal 1982 by recovering 50 percent of its costs, excluding capital costs, from its revenues. Further, the act called on Amtrak to take actions which are consistent with good business judgment and designed to maximize its revenues and minimize Federal subsidies.

During this session of Congress, the Committee intends to consider legislation that will authorize funding necessary to allow Amtrak to continue operation of the current national rail passenger system beyond fiscal 1983. In considering such legislation, the Committee will also examine the effectiveness of the 1981 directives in improving Amtrak's performance and minimizing Federal subsidies.

Daylight Saving Time

At present, Daylight Saving Time begins the last weekend in April and ends the last weekend in October. The Committee intends to examine the potential benefits of expanding the period Daylight Saving Time is in effect as well as any potential costs associated with such a change.

Oversight

HOUSEHOLD GOODS TRANSPORTATION ACT OF 1980

The Household Goods Transportation Act of 1980 became law on October 15, 1980. This act encourages competition in the household goods moving industry—allowing carriers to offer a greater variety of price and service options to consumers—reduces regulation, and provides for essential consumer protection. In addition, the Motor Carrier Act of 1980, enacted July 1, 1980, contains entry and ratemaking reforms applicable to household goods carriers as well as general freight motor carriers.

The Household Goods Transportation Act requires the Committee to conduct oversight hearings to review the implementation and effectiveness of the legislation. The Committee held oversight hearings in October 1981 and December 1982 and intends to continue this oversight in 1983. Among the issues to be considered by the Committee are ICC and DOD policies on reweighs of household goods shipments and the possible need for industry performance standards.

BUS REGULATORY REFORM ACT OF 1982

The Bus Regulatory Reform Act of 1982 was enacted September 20, 1982. Although the Motor Carrier Act of 1980 streamlined certain ICC regulations applicable to buses, prior to enactment of bus reform legislation, the intercity bus industry functioned primarily under regulations promulgated in response to the provisions of the Motor Carrier Act of 1935.

The Bus Regulatory Reform Act of 1982 places increased reliance on competition for intercity bus operations and gives bus companies increased operating flexibility. The entry and ratemaking reforms of this Act make it easier for carriers to enter the industry or expand their route networks and also enables carriers to better tailor their operations to specific markets.

The Committee is required by the act to conduct annual oversight hearings on the effects of this legislation to ensure that this act is being implemented according to Congressional intent and purpose. The Committee intends to hold its first oversight hearing in 1983.

MOTOR CARRIER ACT OF 1980

The Motor Carrier Act of 1980 was enacted on July 1, 1980. This legislation was a major revision of the Motor Carrier Act of 1935. Congress made significant changes in the national transportation policy, preferring to rely on competition rather than regulation to better serve the public needs.

The Committee is required by the act to conduct annual oversight hearings to determine the effectiveness of the act in achieving the transportation goals contained in the act and to determine if any changes in the act are appropriate.

The Committee has conducted oversight hearings in 1981 and 1982 and is satisfied that deregulation of the trucking industry has resulted in more innovative pricing schemes and lower transportation costs. In those hearings, the DOT testified that there had been no loss of service or deterioration in the quality of service to those shippers, businesses and small communities served by the trucking industry. On this issue, the Committee will continue to examine any concerns raised about loss of service to shippers and small communities.

In 1983, the Committee will continue its oversight and will focus on what regulatory authority over the trucking industry must be retained to assure that shippers, businesses, communities, and consumers continue to receive quality trucking service for the lowest cost. Among the primary issues of interest to the Committee are: whether to reform collective ratemaking practices for joint line rates; and what entry standards will best serve the public.

STAGGERS RAIL ACT OF 1980

The Staggers Rail Act of 1980 made significant changes in ICC regulation of the railroad industry. These changes were intended to help increase competition, improve the economic health of the railroad industry, and eliminate unnecessary regulation. In November 1981, the Committee held a hearing on the ICC's implementation of the act and the effect of the act on railroads, shippers, and the public. However, during this hearing many witnesses indicated that it was still too early to determine the full effect of the act. The Committee believes that with the additional passage of time, a clearer reading on the implementation and the effect of the act is now possible. Accordingly, the Committee intends to hold a further oversight hearing on the act during this session of Congress.

National Highway Traffic Safety Administration

OVERSIGHT

The Committee intends to conduct oversight of the National Highway Traffic Safety Administration (NHTSA) to determine its effectiveness in carrying out the purposes and Congressional intent of the National Traffic and Motor Vehicle Safety Act, the Motor Vehicle Information and Cost Savings Act, and the Highway Safety Act.

During the past 2 years, NHTSA has modified and repealed several regulations adopted pursuant to these acts. These actions include: rescinding the passive restraint standard, revoking the motor vehicle visibility standard, allowing rulemakings governing side impact protection and pedestrian protection in crashes of under 20 mph to lay dormant, and rolling back the 5 mph bumper standard. The Committee intends to closely monitor NHTSA's regulatory actions. The Committee also intends to examine NHTSA's research and development activities, the effectiveness of NHTA's campaign to promote

seat belt use, the role of vehicle safety in occupational deaths and injuries, passive restraints, and child restraints.

The Committee intends to hold an oversight hearing on general NHTSA activities in 1983 and will examine a variety of safety-related issues.

DRUNK DRIVING

Legislation aimed at improving drunk driving enforcement efforts at the State level and establishing a computerized National Driver Register to enable State officials to identify problem drivers was enacted October 25, 1982 (Public Law 97–364). This legislation requires NHTSA to promulgate rules to implement the two-tiered incentive grant program contained in the bill. The Committee intends to conduct a hearing in order to examine NHTSA's implementation of this legislation and will also investigate the need for amendments to this legislation to cover a broader range of driving-while-impaired problems and to further improve State drunk driving enforcement efforts.

MOTOR VEHICLE THEFT PREVENTION

The Committee is concerned about the increasing costs to society of motor vehicle thefts; this is the fastest growing property-related crime nationwide. The Commitee intends to investigate the magnitude of this problem and explore means by which law enforcement officials would be assisted in identifying stolen parts and in apprehending the thief.

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